(c) The ordinance promulgated by the Government of India on 15-10-90 enables the Reserve Bank of India under amendment of section 33(4) of the Reserve Bank of India Act 2, 1934 to revalue the gold holdings which forms part of the foreign exchange reserves at a price not exceeding the international market price.

Decline in Foreign Exchange Reserves

47. SHRI SHIV PRATAP MISHRA: Will fhe Minister of FINANCE be pleased to state:

(a; whether foreign exchange reserves have shown a steep decline during the last few months; if so, what are the reasons therefor; and

(b) what steps have been taken to increase the reserves?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) Yes, Sir. There are a number of factors which have contributed towards the decline in reserves during the last few months. These include increase in import prices of POL consequent upon the Gulf crisis, a lull in foreign commercial borrowings owing to the downgrading of India's credit rating and recent trends in the international .'Capital markets; ajnd pcssible reduction in Qur invisible earnings.

(b) "With regard to the decline in foreign exchange reserves the Government has initiated a number of measures to promote exports and curtail inessential imports. Attempts are also being made to augment foreign exchange earnings through invisible earnings and capital inflows including accelerated disbursement of external assistance.

Amount of yearly Budget deficit

48. SHRI PRAMOD MAHAJAN:
SHRI KRISHAN LAL SHARMA;
SHRI SURESH PACHOURI:

Will the Minister of FINANCE be pleased to state:

(a) what is the yearly Budget deficit during the last three years and its estimate for the current year;

(b) whether the additional estimated deficit in the current year and for the next year is due to the Gull crisis; and

(c) what are the measures already adopted and also being planned to meet the situation showing the names of the sources being *so envisaged* and the estimated targets in each case for the current year and the next year?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) The overall budgetary deficit of the Central Government in 1990-91 (BE) and in the preceding 3 years are given below:—

(Rs. in crores)

1987-88	5816
1988-89	5642
1989-90 (Provisional)	10625
1990-91 (BE)	7206

(b) The Budget deficit in the Revised estimates 1990-4)1 'wi}1 be , finalised in due course and shown in the Budget documents for 1991-92.

tc) In view of the post-Budget developments, Government has already taken several measures to contain the budgetary deficit. Of these, mention may be made of the measures to en-

force economy in expenditure, intensify revenue collections alongwith fresh resource mobilisation, ^crease exports and ensure better utilisation oi external assistance. The impact oi these measures will be reflected in the Budget documents for 1991-92.

Balance of Payments Position

49. SHRI ATAL BIHARI VAJPAYEE:

, SHRI ASHWANI KUMAR:

Will the Minister of FINANCE be pleased to state:

I (*a)* the balance of payments position as on November 1, 1988, 1989 and 1990 and also as on March 31 June 30 and September 30 of the current year; and

(b) the estimated total overalJ impact of the Gulf crisis and steps taken/to be taken to meet the situation?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) The Reserve Bank of India compiles and publishes balance of payments data on an annual and quarterly basis. The latest full year balance of payments data released by the RBI relates to 1988-89 and the latest, detailed published quarterly data to the quarter ended September, 19i38. The balance of payments data released by the RBI indicate that during 1988-89 the current account deficit had amounted to Rs. 10,429.1 crores. Movement in the country's foreign exchange reserves reflects the net result of all transactions in the external sector and broadly reflects the trend in the balance of payments. The country's total foreign exchange reserves on the specified dates are indicated below:

Foreign Exchange Reserves
(Excluding gold and SDRs)

	(Rs. crores)
1 November, 1988 (Opening balance)	6382.82
1 November, 1989 (Opening balance)	5158.39
1 Navember, 1990 (Opening balance)	3820.45
31 March, 1990 (Closing balance)	5787.17
30 June, 1990 (Closing balance)	5356.17
30 S;ptemb3r, 1990 (Closing balance)	4511.64

(b) The overall impact of the Gulf crisis on India's balance of payments for the 12 month period from October 1, 1990 to September 30, 1991 is estimated to be Rs. 4968 crores (U.S. $
. 2.76 billion), assuming an average price of crude of at $25 per barrel of crude for the said period. The size of the impact will differ depending
'Upon the actual course of POL prices in the coming months. The Government has taken a series of measures to cope with the situation which include special efforts to generate additional exports, increase utilisation of external assistance, reduce administrative uncommitted expenditure by 10 per cent and a *75* per cent cut in petrol consumption by Central Government and public sector undertakings. Besides, Government has introduced a new deposit scheme for foreign currency deposits by non-resident Indians in the middle east.

Declaration of Karwar port as customs port

50. SHRI B. K. HARIPRASAD: Will the Ministe,- of FINANCE be pk'ased to state:

(a) whether Government have been receiving representations for declaring